

November 11, 1976

MEMO TO FILE:

Re: Surety Escrow
Rio Algom Corporation
Humecca Uranium Mill
Secs. 21, 22, 27, 28,
T. 29 S., R. 24 E.
San Juan County, Utah

ACT-037-001 (B)

A meeting was held today with Mr. Gordon Littlejohn, General Council for Rio Algom Corporation, Toronto, Ontario. Discussion centered on the provisions of the reclamation escrow agreement for the Humecca Uranium Mill.

Three points were clarified during the talk, these will appear in the company's proposal which should reach this office by November 19, 1976.

1. Interest which the account earns will be credited and will be treated as all or part of a monthly payment when posted to the accounts.
2. Statements or receipts for deposits will be forwarded to the Division every six months but deposits will be made monthly.
3. Reclamation work done during the life of the mine will be credited at inflated prices to one or a series of monthly payments if completed.

Rio Algom anticipates a full cash flow from the mill until the period covered by the reclamation surety is over (25 years), and therefore is not in favor of the total surety being compiled in 20 years. The Board will be asked for its opinion of this procedure.

DIVISION OF OIL, GAS, AND MINING

Ronald W. Daniels
Coordinator of Mined
Land Development

RWD/lm

for
7 p
P.
R.
Lm not
Sue ok
1st time.